

Message Text

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C O N F I D E N T I A L TOKYO 18921

E.O. 11652: GDS
TAGS: EFIN, ECON, JA
SUBJECT: PROPOSAL FOR OVERSEAS TRAVEL TAX

REFS: (A) STATE 298302 AND (B) TOKYO 18647

1. SUMMARY: ALTHOUGH NO DECISION YET TAKEN, GOJ IS CON-
SIDERING EXTENDING A STAMP TAX TO PASSPORTS. IT IS NOT
CONSIDERING OTHER RUMORED FORMS OF TAX IN CATEGORY OF
OVERSEAS TRAVEL TAX, WHICH WOULD TAX INDIVIDUAL TRIPS ABROAD.
END SUMMARY.

2. EMB PROMISED IN REF B TO GIVE UP-TO-DATE EVALUATION OF
LIKELIHOOD GOJ MAY IMPOSE TAX ON OVERSEAS TRAVEL OR
DOCUMENTS NECESSARY FOR OVERSEAS TRAVEL. COMMENT: THE INFO
CONTAINED IN THIS PARA REPRESENTS SENSITIVE INFO FROM THE
VIEWPOINT OF GOJ FISCAL AUTHORITIES AND SHOULD BE REGARDED
AS FOR US GOVT INFO ONLY. END COMMENT. FINMIN ADVISES
THAT CONSIDERATION IS BEING GIVEN TO EXTENDING A STAMP TAX
TO ISSUANCE OF PASSPORTS, AS A REVENUE MEASURE. HOWEVER,
POSSIBILITY IS ONLY UNDER CONSIDERATION, AND NO DECISION
HAS YET BEEN MADE. CONSIDERATION HAS NOT REACHED STAGE
OF SETTLING ON RATE, AND FINMIN OFFICIAL SAID CONSULTA-
TIONS WITH MOFA WILL BE NECESSARY. HOWEVER, FINMIN ASSUMES
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RATE WOULD BE SOMETHING LIKE YEN 10,000 (ROUGHLY DOLS 35).
WHETHER THIS AMOUNT WOULD REPLACE OR ADD TO CURRENT CHARGE
FOR PASSPORT HAS NOT YET BEEN DECIDED. THE POSSIBIL-
ITY OF EXTENDING A STAMP TAX TO PASSPORTS WILL BE CONSIDERED
IN THE TAX DELIBERATION COUNCIL OVER THE NEXT COUPLE OF WEEKS,
WITH VIEW TO REACHING DECISION BY MID-JANUARY. MOF OFFICIAL

SAID FRANCE HAS APPLIED STAMP TAX TO ISSUANCE OF PASSPORTS.

3. FINMIN ALSO ADVISES THAT CONSIDERATION NOT RPT NOT BEING GIVEN TO OTHER RUMORED FORMS OF TAX FALLING IN LOOSELY DEFINED CATEGORY OF OVERSEAS TRAVEL TAX WHICH WOULD BE LEVIED ON INDIVIDUAL TRIPS OUTSIDE COUNTRY. IN THE PROCESS OF CATALOGING POSSIBLE ADDITIONAL SOURCES OF TAX REVENUES, SOME INDIVIDUALS IN TAX DELIBERATION COUNCIL HAVE MENTIONED THESE POSSIBILITIES, LEADING TO PRESS REPORTS, BUT MOF IS NOT RPT NOT CONSIDERING TAKING SUCH ACTION.

4. EMBASSY COMMENT: ISSUE FEE FOR JAPANESE PASSPORT VALID FOR FIVE YEARS IS NOW YEN 6,000 (APPROX DOLS 20). IMPOSITION OF STAMP TAX OF YEN 10,000 WOULD RAISE EFFECTIVE COST TO EQUIVALENT OF DOLS 55.

5. DISCUSSION OF VARIOUS TYPES OF REVENUE-RAISING DEVICES IS REGULAR PART OF BUDGET DEVELOPMENT PROCESS IN JAPAN THAT GOES ON AT THIS TIME OF YEAR. FOREIGN MINISTRY AND OTHERS INTERESTED IN JAPAN'S IMAGE ABROAD HAVE IN PAST SUCCEEDED IN DEFEATING MEASURES THAT SMACK OF TRAVEL TAX. IT IS HARD TO BELIEVE THAT JAPAN, WITH ITS CURRENT EXTREMELY FAVORABLE BALANCE OF TRADE, WOULD RISK INTERNATIONAL OPPOBRIUM IT WOULD RECEIVE BY RAISING COST OF PASSPORT TO DOLS 55.

6. IF INFO READILY AVAILABLE, EMB WOULD APPRECIATE HAVING SOME IDEA WHAT EFFECTIVE COSTS OF OBTAINING PASSPORTS ARE IN OTHER MAJOR INDUSTRIAL COUNTRIES.

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